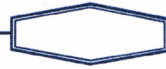


ASH GROVE CEMENT COMPANY



11011 CODY STREET
OVERLAND PARK, KANSAS 66210
PHONE 913 / 451-8900

March 30, 2015

Chairman Tutvedt and Members of the Senate Taxation Committee:

Thank you for the opportunity to submit testimony to you and the Senate Taxation Committee members considering House Bill 156. Ash Grove Cement Company's Montana government relations counsel, Aimee Grmoljez, is delivering this letter supporting HB 156 as a representative of its Montana City plant, which is located just off of I-15 southeast of Helena.

On behalf of Ash Grove Cement Company employees at its Montana City cement manufacturing plant, and other of its employees who are native Montanans, I ask you to support HB 156 because it will encourage companies to continue to operate in Montana as they install additional pollution control equipment to meet environmental regulations, which will benefit all Montanans. House Bill 156 becoming law will help Ash Grove decide whether to invest approximately \$500 million to modernize our Montana plant, which will create construction jobs, add payroll and extend the operating life of the facility for decades.

Ash Grove, which has operated for more than 130 years, is the largest U.S.-owned cement company. Our Montana City facility manufactures 300,000 tons of cement annually. There are more than 80 employees, with a payroll of nearly \$5 million in Montana, and the plant supports an estimated 800 local jobs. Ash Grove recently built, and is now operating, a cement distribution terminal in Ridgellawn, Mont., at a cost of approximately \$8 million. The terminal serves the Bakken Oil Shale formation in eastern Montana and North Dakota. This is a rapidly growing region, and we expect to ship more than 100,000 tons of Montana City produced cement through the terminal each year.

We request that you support HB 156 because it will assist Montana businesses that are compelled by the federal government to add additional pollution control equipment and monitoring systems. Recently, Ash Grove invested \$14 million to install a baghouse and semi-dry scrubber to further reduce particulate and sulfur dioxide emissions at the Montana City plant and allow the plant to comply with the new lower federal emission standards for cement kilns. As a result of this newly installed equipment, the plant is well ahead of the compliance deadline of September 2015. Please recognize that this investment increases our operating costs significantly, but does not increase the plant's employment base, production capacity, efficiency or product quality. Since there is no state tax abatement or exemption for pollution control equipment, a capital project of this

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magnitude substantially increased the Montana City plant's property tax burden. HB 156 will not have any affect this investment that has already been made.

Your support of HB 156 will help clarify future investment options for companies like Ash Grove Cement. For example, Ash Grove recently decided to invest approximately \$150 million to rebuild and improve our Midlothian, Texas, plant. Under Texas law, pollution control equipment is exempt from property tax. Other states offer alternative abatements or incentives for such investments.

We respectfully request your support of HB 156 because it addresses immediately concerns that businesses like ours have, and will help business leaders clarify decisions about sustaining Montana operations. Thank you for considering our perspective on this important tax policy.

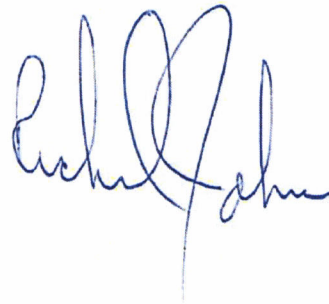
Best regards,



Mike Hrizuk
SVP of Manufacturing



Dan Peters
VP of Manufacturing-West



Dick Johnson
Montana City Plant Manager